STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA GOVERNOR

October 8, 1986

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Merrion Oil & Gas Corporation P. O. Box 840 Farmington, New Mexico 87499

Attention: Steven S. Dunn

Administrative Order NSL-2298

Gentlemen:

Reference is made to your application for a non-standard location for your Cursor No. 1 well to be located 1180 feet from the South line and 1125 feet from the West line of Section 20, Township 26 North, Range 2 West, NMPM, Undesignated N.E. Ojito Gallup-Dakota Pool, Rio Arriba County, New Mexico. The SW/4 of said Section 20 shall be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely

R. L'. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Aztec Bureau of Land Management - Farmington